

Message Text

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PAGE 01 STATE 011409

42

ORIGIN AF-18

INFO OCT-01 ISO-00 EB-11 RSC-01 COME-00 (ISO) R

66604

DRAFTED BY AF/C:HAMRICK:OSM

1/17/74 EXT. 22216

APPROVED BY AF/C:COHEN

EB/IFD/OIA:CELLIS

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R 181350Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO AMCONSUL LUBUMBASHI

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E.O. 11652: N/A

TAGS: EIND, US

SUBJECT: NEW ECONOMIC MEASURES

REF: (A) LUBUMBASHI A-50 DATED DEC 18

(B) LUBUMBASHI 12

(C) STATE 007619

1. AF/C HAS BEEN CONTACTED BY MR. SEMAH FRANCO, NY BUSI-
NESSMAN AND OWNER OF MERCANTILE AFRICAINE--BP 1506,
LUBUMBASHI--SOLICITING DEPT'S ASSISTANCE IN EXEMPTING HIS
FIRM FROM GOZ NATIONALIZATION DECREES. FRANCO SAID THAT
HIS NEPHEW ARON FRANCO, OPERATOR OF MERCANTILE AFRICAINE,
HAS BEEN IN TOUCH WITH KRASON REGARDING HIS CASE.

2. AS WE UNDERSTAND IT, MERCANTILE AFRICAINE HAS NOT RPT
NOT BEEN TAKEN OVER BY GOZ FOR ULTIMATE PURCHASE BY ZAIRE
OWNER, BUT FIRM WOULD BE ELIGIBLE UNDER GOZ GROUND RULES
AND FRANCO FORESEES THIS POSSIBILITY. FRANCO ASKS EMBASSY'S
AID IN OBTAINING EXEMPTION SIMILAR TO THAT GRANTED OTHER
US FIRMS.

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PAGE 02 STATE 011409

3. ACCORDING TO FRANCO, MERCANTILE AFRICAINE WAS ESTABLISHED

LUBUMBASHI IN 1950 AND DOES ANNUAL GENERAL IMPORT AND WHOLE-SALE BUSINESS AMOUNTING TO US DOLS 3 TO 4 MILLION ANNUALLY. FIRM EMPLOYS SOME 25 EMPLOYEES IN LUBUMBASHI, HAS NO OUT-LETS ELSEWHERE BUT DOES OWN INTEREST IN SABUNI SOAP MANUFACTURING OPERATION AT LUBUMBASHI.

4. AF/C TOLD FRANCO THAT WHILE GOZ MAY BE WILLING EXEMPT RECENTLY ESTABLISHED FIRMS, INCLUDING ALL INVESTMENT UNDER 1969 CODE, GOZ CLEARLY LESS INCLINED EXEMPT AGRO-BUSINESS OR RETAIL FIRMS ESTABLISHED UNDER COLONIAL CHARTER AND HAD SERVED NOTICE THAT COMMERCIAL SECTOR WOULD BE RESERVED FOR ZAIRE NATS. WE WOULD NEVERTHELESS ASK EMBASSY TO DO EVERYTHING IT COULD TO ASSIST MERCANTILE AFRICAINE WITH GOZ.

5. FOR LUBUMBASHI: WE ASSUME MERCANTILE AFRICAINE WAS ONE OF FIRMS NOTED IN LUBUMBASHI'S REF A AND B AND CITED IN REF C. RUSH

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